



CITY OF HOMER 2014 ANNUAL REPORT

ANNUAL REPORT 2014

| | |
|--------------------------|---------|
| MANAGER'S MESSAGE | 1 |
| MAYOR & CITY COUNCIL | 2 |
| BOARDS & COMMISSIONS | 3 |
| CITY OF HOMER WORKFORCE | 4 |
| CITY MANAGER'S OFFICE | 5-6 |
| CITY CLERK'S OFFICE | 7 - 8 |
| FINANCE | 9 |
| PLANNING & ZONING | 10 - 11 |
| FIRE DEPARTMENT | 12 - 13 |
| POLICE DEPARTMENT | 14 - 15 |
| PORT & HARBOR | 16 - 19 |
| PUBLIC LIBRARY | 20-22 |
| PUBLIC WORKS | 23-26 |
| CHARTS & GRAPHS | 27-32 |
| CAPITAL IMPROVEMENT PLAN | 33 |

"THE SEA, ONCE IT CASTS ITS SPELL
HOLDS ONE IN ITS NET OF WONDER FOREVER"
- JACQUES YVES COUSTEAU



A smooth tidal pool reflects the sky on a rock beach in Kachemak Bay

A NOTE FROM THE CITY MANAGER....

2014 was another challenging but successful year for the City of Homer. The fiscal challenges on the horizon for the State of Alaska have affected municipalities, including the City of Homer. There continues to be disconnect between what residents want and what they are willing to pay for. Nevertheless, the City of Homer is fortunate to have a community that is engaging in those difficult conversations through venues such as the Park, Art, Recreation and Culture (PARC) study and a vibrant and diverse electorate.

Despite the climate of fiscal uncertainty, the City government remains in a fiscally sound and stable position overall. According to FY2014 Audit, the fund balance in the General Fund was a healthy \$6,569,000 which is approximately fifty percent of the annual budget. Revenues exceeded budget projections by \$686,682 (excluding PERS relief from the State) and the excess of revenues over expenditures was \$521,249. 2014 was the first year of a new fee structure for the Water and Sewer Utility fund which resulted in expenses over budget projections of \$197,000 (excluding PERS relief). The fund carries a significant debt load and annual debt service is approximately \$1 million. This debt is repaid through a combination of sales taxes and property assessments.

The Port and Harbor Enterprise Fund was healthy in 2014 and generated enough money to cover operating expenses and mandatory transfers into bond reserves (\$4,197,852). As always, more funds need to be transferred to depreciation accounts.

In 2014 the City finalized many capital projects that make necessary infrastructure improvements and will stimulate the economy. Chief among them was completion of a city-wide natural gas distribution system.

The City of Homer strives to be as efficient, productive, and responsive to the needs of its residents as possible. City staff are constantly looking for ways to operate more efficiently and do more with less. I am proud of the work, professionalism, and high level of service City of Homer employees provide to the public.



Katie Koester, City Manager

The City's success in 2014 can be attributed to the leadership of the Mayor, City Council, Boards, Commissions, Task Forces, Committees, and the hard work of the dedicated public employees.

A review of the 2014 Annual Report will confirm that City government is functioning at a high level, that its fiscal policies are sound, and that Homer continues to be a place people want to live, work, and play.

A handwritten signature of Katie Koester in blue ink. The signature is written in a cursive, flowing style.



Mayor & City Council



Mary E. Wythe, Mayor



Francie Roberts



Gus Van Dyke



Bryan Zak



Beauregard Burgess



David G. Lewis



Catriona Reynolds

The City of Homer is a First Class Municipality. The legislative body is composed of a Mayor and six Council Members, elected at-large, to serve the residents of the City and to utilize public funds that provide for the health, safety, and welfare of the community.

The legislative power of the City is vested in the Council, which sets policy, adopts ordinances, resolutions and determines funding for programs and services in the municipal budget. Commissions and boards are advisory to the Council and members are appointed by the Mayor and confirmed by the Council.

Councilmembers address a diverse set of issues in an effort to improve the lives of Homer's citizens, including community enhancements, economic development, tourism, parks and recreation, public safety and public works. With the assistance of advisory commissions, boards, staff and public input, Council sets priorities for the six-year capital improvement program and annual legislative request.

Regular council meetings are held the second and fourth Monday of each month at 6:00 p.m. It is Council's policy to reschedule regular meetings that fall on holidays. Regular meetings are broadcasted on KBBI. Public input is welcomed and encouraged.

Boards & Commissions

PORT & HARBOR ADVISORY COMMISSION

| | |
|------------------------|-----------------|
| Catherine Ulmer, Chair | Glen Carroll |
| Daniel Donich | Robert Hartley |
| Bob Howard | Steve Zimmerman |

ECONOMIC DEVELOPMENT ADVISORY COMMISSION

| | |
|-------------------|---------------------------------|
| Mike Barth, Chair | Corbin Arno |
| Patrick Brown | David Friedlander |
| Karin Marks | Daniel Stainslaw |
| Vacant(Exp. 2015) | Vacant (Student Representative) |

LIBRARY ADVISORY BOARD

| | |
|---------------------------------|--------------|
| Patricia Utley, Vice Chair | Matt Strobel |
| Amy Alderfer | Susan Braund |
| Terry Smith | Vacant |
| Vacant (Student Representative) | |

PARKS & RECREATION ADVISORY COMMISSION

| | |
|-----------------------|--------------------------------------|
| Matthew Steffy, Chair | Robert Archibald |
| David Brann | Tricia Lillibridge |
| Debra Lowney | Roger MacCampbell |
| Peter Roedl | Pedro Ochoa (Student Representative) |

PLANNING COMMISSION

| | |
|---------------------|-----------------|
| Donald Stead, Chair | Tom Bos |
| Savanna Bradley | Shelly Erickson |
| Roberta Highland | Tom Stroozas |
| Franco Venuti | |

PERMANENT FUND COMMITTEE

| | |
|-----------------------|-----------------|
| Barbara Howard, Chair | John Li |
| Jo Johnson | Matt North |
| Catriona Reynolds | Francie Roberts |

PUBLIC ARTS COMMITTEE

| | |
|-----------------------|----------------|
| Michele Miller, Chair | Marianne Aplin |
| Lance Petersen | Adele Person |

PUBLIC SAFETY BUILDING REVIEW COMMITTEE

| | |
|----------------------|-------------|
| Ken Castner, Chair | Ralph Crane |
| Robert Painter | Mark Robl |
| Beth E. Wythe, Mayor | |

CONSULTING MEMBERS

Mary E. Wythe, Mayor
Katie Koester
Bryan Hawkins, Port & Harbor Director

CONSULTING MEMBERS

Mary E. Wythe, Mayor
Katie Koester
Bryan Zak, Councilmember

EX-OFFICIO MEMBERS

Mary E. Wythe, Mayor
Katie Koester

CONSULTING MEMBERS

Mary E. Wythe, Mayor
Katie Koester
Student Representative

CONSULTING MEMBERS

Mary E. Wythe, Mayor
Katie Koester
Carey Meyer, Public Works Director



Lupine on Kachemak Bay

City of Homer Workforce

CITY MANAGER'S OFFICE

Walt Wrede, City Manager

Andrea Browning

Katie Koester

Nick Poolos

Mike Illg

Julie Nelsen

Tomasz Sulczynski

CLERK'S OFFICE

Jo Johnson

Renee Krause

Melissa Jacobsen

FINANCE

John Li

Jo Earls

Joanne Perret

Julie Swisher

Jenna deLumeau

Laurie Moore

Lori Sorrows

FIRE

Robert Painter

Elaine Grabowski

Tim Yarbrough

Chris Cushman

Dan Miotke

VOLUNTEER FIREFIGHTERS & EMT

Alicia Anderson

Annie Bailey

Tim Blackmon

Dan Bunker

Samantha Cunningham

Candy Edwards

Mary Hayden

Pat Johnson

Tom Jordan

Aleksander Kay

Emily Larson

Chessie MacRae

Barrett Moe

Paul Pellegrini

Martin Renner

Joe Sallee

Ryon Turley

Doug Van Patten

Jaclyn Arndt

Lars Bell

Sam Buenting

Jenny Christensen

Jose Diaz

Mary Griswold

Wes Head

Morgan Jones

Maynard Kauffman

Jesse Kirby

Dan Lindberg

Vicky Merrell

Kiel Moe

Joe Perkins

Marsha Rouggy

Gary Thomas

Kim Urban

LIBRARY

Ann Dixon

Holly Brennan

Jacqueline McDonough

Teresa Sundmark

David Bernard

Amy Gordon

Daniel Querfeld

Debra Waldorf

PLANNING & ZONING

Rick Abboud

Travis Brown

Julie Engebretsen

Dotti Harness

POLICE

Mark Robl

Larry Baxter

Janie Buncak

Eve Dickmann

Della Garlitz-Bedingfield

Erica Hollis

Jim Knott

Stacy Luck

Sean Perry

Jayne Probst

Chuck Thorsrud

Will Hutt

Ryan Browning

Paul Clark

Tracie Fellows

Bill Geragotelis

James Jones

Lary Kuhns

Ian Overson

Rick Pitta

Dave Shealy

Charles Worland

PORT & HARBOR

Bryan Hawkins

Elton Anderson

Chris Dabney

Aaron Glidden

Burt Gregory

Mike Lowe

Brad Somers

George Tyrer

Pike Ainsworth

Matt Clarke

Lisa Ellington

Sarah Goossens

Don Huffnagle

Brian McCarthy

Rachel Tussey

Mark Whaley

PUBLIC WORKS

Carey Meyer

Todd Cook

Mary Kate Green

Richard Gibosn

Mitch Hrachiar

Joe Inglis

Manfred Kirchner

Staci LaPlante

Terill Maxwell

Dan Nelsen

Angie Otteson

Paul Raymond

Mike Riley

Mike Szocinski

John Wythe

Mike Zelinski

Dale Bothell

Dan Gardner

Michael Gilbert

Bobby Hickman

Jean Hughes

Brody Jones

Richard Klopp

Jerry Lawver

Paul McBride

Angie Olsen

Mike Parish

Gary Richardson

Levi Stradling

Dave Welty

Joe Young

City Manager's Office

The City Manager's Office is located at City Hall and includes the City Manager, Personnel Director, Community and Economic Development Coordinator, Community Recreation Manager, Systems Manager, and Administrative Assistant. The City Manager is the Chief Administrative Officer of the City and is responsible for the administration of all City services. Walt Wrede served as City Manager since 2003. He works closely with the Mayor, City Council, Department Heads, and other community leaders to promote Homer's best interest and problem solve. Responsible for overall budget preparation, the City Manager articulates the City's needs to State and federal officials to secure funding for City projects and programs.



In 2014 we said good-bye to former City Manager Walt Wrede

Administrative Assistant to the City Manager Andrea Browning managed the City Manager's phones, schedule, and correspondence. She also issued special event permits, prepared City leases, and fielded questions and requests regarding the Airport terminal.

In June Personnel Director Andrea Peterson left her position. Andrea Browning was promoted to the position which is responsible for citywide personnel functions including ensuring compliance with City of Homer Personnel Regulations and State and Federal laws. She also analyzes employee programs for effectiveness, implements human resources best practices, manages and advises employee benefits, and performs special projects.

www.cityofhomer-ak.gov/citymanager

Community and Economic Development Coordinator Katie Koester writes grants for the City, coordinates the Capital Improvement Plan and facilitates special projects with the Council such as the Strategic Doing initiative undertaken in 2014. She provides staff support to the Economic Development Advisory Commission, is the City representative on MAPP of the Southern Kenai Peninsula, Homer Chamber of Commerce and Kenai Peninsula Economic Development District. Katie works with the Homer Marine Trades Association on marketing efforts to promote marine trades and the Homer Port and Harbor. She also assists the Mayor, City Manager, and City lobbyist with legislative activities.

Information and Technology Manager Nick Poolos and assistant Tomasz Sulczynski are responsible for troubleshooting and maintaining of more than 170 computers, 32 network servers and the phone lines for the entire City.

COMMUNITY RECREATION

The City of Homer Community Recreation program is a division within the Administration Department and is administered by the Recreation Manager, Mike Illg. The Community Recreation program continues to be a very popular service for our community members. Our activities are provided through a partnership between the City of Homer and the Kenai Peninsula Borough School District with programs and activities located at Homer High School, Homer Middle School, West Homer Elementary and the City owned HERC building. The program offers approximately 90 programs that range from pick-up basketball, dance classes, introduction to Spanish, to youth wrestling.



Recreational Soccer at Homer High School

OUR MISSION STATEMENT

“The City of Homer Community Recreation will promote community involvement and life-long learning through educational and recreational opportunities for people of all ages. This will be accomplished through maximizing usage of all community facilities and resources while utilizing, expanding and uniting local businesses, school resources and expertise. Our program shall be designed to recognize cultural diversity and to address social and community concerns.”

RECENT 2014 ACCOMPLISHMENTS

There were 50 individual volunteers who have donated 4,576 volunteer hours and this equates to a monetary value of \$119,765 (\$26.59/hour*).

There were 30 individual contracted instructors who generated approximately \$23,000 in revenue that are essentially part time jobs contributing to our local community.

2014 INCREASES

- Total participants increased by 25% (4,138)
- Total estimated visits increased by 98% (26,273 repeat visitors)
- Total revenue collected increased by 32% (\$43,900)
- Total increase in donated volunteer value increased by 86% (\$119,765)

Community Recreation spearheaded the collaborative effort to create, design, and fund the popular “Homer Trails Map”.



Homer City Hall

City Clerk's Office

The City Clerk is an official of the City of Homer, appointed by the City Manager and confirmed by the City Council. Jo Johnson was Homer's City Clerk and awarded the Alaska Association of Municipal Clerks "Clerk of the Year" for 2014. Melissa Jacobsen held the position of Deputy City Clerk II, and Renee Krause was Deputy City Clerk I. The part-time Clerical Assistant position was not funded for 2014.



Renee Krause - Jo Johnson - Melissa Jacobsen

The City Clerk is a Master Municipal Clerk and both Deputies are Certified Municipal Clerks. The City Clerk and Deputy City Clerk II are National Parliamentarians.

The Office of the City Clerk provides a direct link between the residents of the City of Homer, their elected officials, and local and government agencies. The Clerks publish agendas, prepare packets, administer oaths of office, and act as the parliamentary advisory to Council and Advisory Commissions. They attend and record meetings, and edit and compile minutes of the City Council and advisory body meetings.

Advisory bodies include the Library Advisory Board, Advisory Planning Commission, Port and Harbor Advisory Commission, Parks and Recreation Advisory Commission and the Economic Development Advisory Commission.

The two standing committees are the Permanent Fund Committee and the Public Arts Committee. The Public Safety Building Review Committee, Vessel Haul-Out Task Force, Port and Harbor Building Task Force, and City Manager Selection Committee were advisory groups tasked by City Council in 2014.

The City Clerk attends meetings of the City Council, while the Deputy City Clerks attend meetings of the advisory bodies. In 2014, staff from the City Clerk's Office attended 162 meetings. In addition, they helped prepare 56 ordinances, 126 resolutions, and 184 memoranda; and processed 176 public records requests.

The Clerk's Office provides for the safeguard of permanent records to preserve the history of the City of Homer. Municipal records are categorized, indexed, filed, and retained in accordance to the retention schedule. Permanent paper records are scanned into digital documents for space conservation of permanent records that were transferred into digital form in 2014; the Council did make an appropriation for an independent vendor to begin the paper to digital transition of permanent records.



AAMC President Janie Hovenden and Jo Johnson

City Clerk's Office Continued...

Invitations to Bid and Requests for Proposals are administered by the City Clerk. Advertisement of solicitations, formation of Plan Holder lists, and bid openings are managed by the Clerks.

The City Clerk's office records a weekly informational segment aired on public radio station KBBI and maintains informational kiosks in four locations within the community: Captain's Coffee Roasting Company, Harbormaster's Office, Redden Marine Supply of Homer, and City Hall. The Clerk's Office also produces and distributes a quarterly newsletter for City residents and maintains a website which contains a wealth of information, including meeting agendas and minutes.

The City Clerk is the election supervisor, facilitating local elections, and the City Clerk's office serves as absentee voting officials for State elections. A Regular election was held on October 7, 2014 to elect the mayor and two council members and decide one ballot referendum. Mayor incumbent Mary E. Wythe was re-elected to a two-year term. City Council incumbent David G. Lewis was re-elected to a three-year term and Catriona Reynolds was elected to a three-year term. Voters defeated ballot Proposition 1 "Shall a Charter Commission be elected to prepare a proposed Charter?" On October 7, 2014 a Borough Election was also held.



This map depicts Homer City limits in which there are 4,464 registered voters. Voting occurs at two precincts: Homer #1 City Hall & Homer #2 is at the Senior Center.

Finance

MISSION STATEMENT

The Finance Department is a service department; it serves the City's central administration, departments, citizens, employees, and vendors, as well as agencies outside of the City. We are dedicated to providing quality customer service with timely and accurate financial information, and complying with Federal, State, local, and other regulatory mandates. We are committed to partnering with other departments to effectively and efficiently utilize the City's resources toward achieving the City's objectives.

GENERAL RESPONSIBILITIES

The Finance Department covers a wide range of duties, from basic bookkeeping to governmental accounting, financial analysis, and reporting. The Finance Department is responsible for budget preparation, payroll, revenue collection, assessments, accounts payable, grant reporting, treasury management and the safeguarding of City assets.

PROJECTS

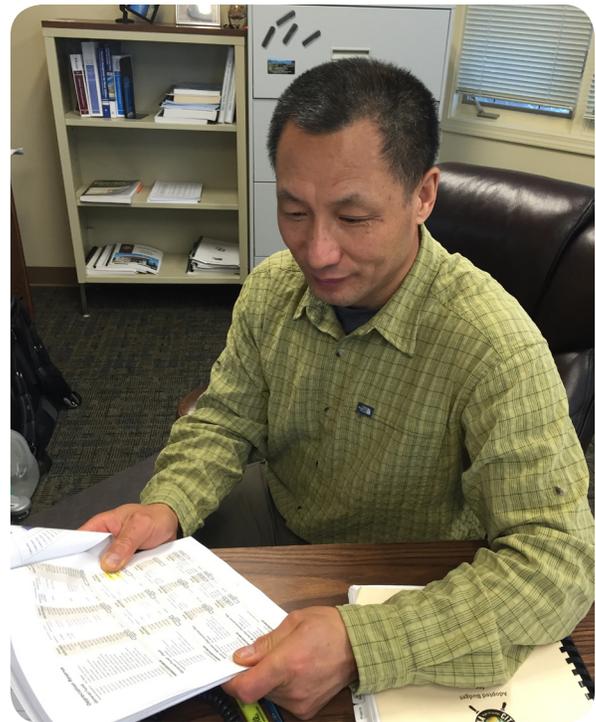
One vital function of the Finance Department is to provide relevant, complete, and accurate financial information in a timely manner. Our goal is to turn the abstract data to a useful tool and resource that is intuitive and easily accessible for decision making. The Finance Department is currently working to increase its use of visualizations to display complex data sets.



Other than carrying out the routine functions, we initiated the following special projects in 2014, some with an anticipated completion date in 2015 and others will be ongoing.

We invited Wells Fargo Bank to complete a business process review in 2014. We will be working with the City's IT department and Wells Fargo Bank to look for opportunities to increase the use of technology and the level of automation in areas of Accounts Receivables and Accounts Payables.

Ambulance billing has been challenging to us for many years. In 2014, we switched our billing software provider in order to better interface with the City's Emergency Medical Services.



Finance Director Zhiyong (John) Li

Planning & Zoning

The Planning and Zoning Office provides long-range planning for the City of Homer, guided by the Homer Comprehensive Plan. In addition to long-range planning, the Planning and Zoning Office is responsible for the following:

- Administration and enforcement of the Homer Zoning Code.
- Professional review of proposed code changes, zoning permit applications, conditional use permit applications, preliminary plat submittals, and other development submittals.
- Creation of plans and manuals ranging from transportation to management of storm water runoff which help guide development in Homer toward the goals of the Comprehensive Plan.
- Providing technical support for the Homer Advisory Planning Commission (HAPC) and the Parks and Recreation Advisory Commission.

Congratulations to Homer's most veteran commissioner, Franco Venuti, who was appointed to the Kenai Peninsula Borough Planning Commission; and to Savanna Bradley, who is our newest and youngest commissioner.



Frank Venuti



Savanna Bradley

Homer City Code is online now, with an amazing up-grade using the latest technologies. Clients can more easily search, follow links, and print high quality formatted versions. In 2014, the Planning Office issued 62 zoning permits for an estimated value of improvements at \$15.4 million.

There were 37 permits for new residential construction, 10 permits for new commercial construction and 15 permits for new additions and accessory structures. Some of the noteworthy construction projects of 2014 which included a blend of public-private partnerships were:

- A 2,800 square foot, \$564,000 Fire Service Station on Skyline Drive.
- Two new businesses, O'Reilly's Auto Parts and Homer Funeral Service established themselves on the Sterling Highway.
- The Daybreeze, Sunset View Estates and Forest Glen subdivisions had the most new residential construction activity.
- The installation of water and sewer along the east end of Kachemak Drive allowed property owners to construct multiple small rental cabins on a single lot, expanding the number of affordable rental housing units in Homer.

The Planning Staff is working with FEMA and the public to adopt new Flood Insurance Rate Maps (FIRM) which provides more accurate Base Flood Elevations around Beluga Lake, Beluga Slough and Old Town areas. Adoption of these maps is expected in 2016 and will be used to establish flood insurance rates and development regulations.

Staff attended several trainings including Alaska Certified Erosion and Sediment Control Training that provided instruction on how to select, install and maintain stormwater Best Management Practices. Dotti Harness-Foster participated in the organization committee for the Alaska Planning Conference which is held each November in Anchorage. One of the most valuable seminars, A Tall Order: Finding a Balance Approach to Cell Tower Regulation illustrated, the explosion in cell phone usage and the rise of tower installations. The Tall Order seminar was timely, considering new private market demand for cell towers and the Planning Commission's interest in the development of standards for tall structures. Rick Abboud, the City Planner, attended the Smart Growth Conference in Denver.

Planning & Zoning Continued...

Rick also participated in the Homer Chamber of Commerce “Business after Dark” a joint effort with the Economic Development Advisory Commission, City Council and the Homer Advisory Planning Commission.

Travis Brown, Planning Technician, continued the high learning curve involved in knowing the fine details of Title 21. He initiated the Planning Office move to more electronic filing and merging electronic packets. In 2015 he is scheduled to attend the Certified Floodplain Management training in Anchorage.

Dotti Harness-Foster, Planning Technician, conducted “Signs for Thriving Businesses” workshops on the Sign Code as a cooperative effort between the Chamber of Commerce and the City. The workshops explained Homer’s sign standards and explored how elements such as color choice and font size contribute to effective signage.

Julie Engebretsen, Deputy City Planner, continued as vital resource to the Parks and Recreation Advisory Commission by providing professional expertise and technical support. Julie’s list of 2014 accomplishments included working with an administrative committee on the Park, Art, Recreation and Culture Needs Assessment, adoption of the Diamond Creek Recreation Area Plan, assisting with the Natural Gas Special Assessment District, and working with the Homer Advisory Planning Commission as needed.

Rick Abboud, City Planner, provided technical expertise and guidance to the City Council and the Planning Commission on several changes to city code including; the allowance of a second dwelling on lots meeting certain standards in the Rural Residential zoning district, the addition of open-air business to the General Commercial 2 zoning district, and establishing where heliports and helipads are permitted. Rick reviewed upcoming Department of Transportation projects including improvements to Pioneer Avenue and the intersection of Main Street and the Sterling Highway.



Pioneer Avenue business, Homer’s Jeans, sports a new look following completion of a 2014 remodel



Julie Engebretsen attends the Park, Art, Recreation & Culture Needs Assessment meeting in 2014



In 2014 the First American Title and The Independent Living Center on Pioneer Avenue received a facelift. A covered porch was added, new roof, exterior accents and improved parking

Fire Department

The Fire Department is committed to protecting and serving the public when members of our community are threatened by fire, accidents, and natural or man-made disasters. To accomplish this mission the department will deliver proactive emergency risk management, emergency services and educational prevention programs.



Homer Fire Department

The Homer Volunteer Fire Department is “registered” with the State Fire Marshal’s Office to provide a full range of fire protection and related services including: structural fire protection, wildland fire protection, public education, fire investigation, rescue services, aircraft, and marine firefighting and is accredited by the State Fire Standards Council to conduct Firefighter I and Firefighter II classes for its members. In addition, the Homer Volunteer Fire Department is certified by the State of Alaska Department of Health and Social Services as an “out of hospital” Advanced Life Support Ambulance Service, meaning that many advanced lifesaving skills are brought to the patient’s side when they call 911. All fire department emergency responders are trained, and state certified, to at least the Firefighter I and/or Emergency Medical Technician EMT-1 level prior to membership with the department, and many are trained and certified to advanced levels of firefighting and emergency medical care.

Additionally, all firefighters are trained to the Hazardous Materials First Responder Operations level and EMTs are trained to the Hazardous Materials First Responder Awareness level.

The Fire Department responded to a total of 592 incidents – 580 of which were in Homer or Kachemak City. HVFD also responded to 12 requests for mutual aid from Anchor Point and the Kachemak Emergency Service Area. Medical calls (483) accounted for 82% of our run volume. Emergency medical calls include responding to accidents and illnesses as well as transporting patients to the Homer Airport for medical transport to other hospitals, and transportation of patients to their residence following medical care if their physical authorizes medical transportation for them.

Of the 97 fire calls within Homer city limits, there were only 4 structure fires, 17 wildland fires, mostly unattended fires on the beach, 3 vehicle fires, 1 rescue call, and 72 public assists, which include checking fire alarm activations, carbon monoxide and smoke detector activations, and reports of odors or smells of propane or natural gas. Due to the low number of structure fires in 2014, fire loss was very low, amounting to an estimated \$119,000. HVFD’s five paid staff members and 45 volunteers continue to devote large numbers of hours in meeting the mission of the department. Members dedicated 2,352 hours responding to calls, 3,759 hours in training, 233 hours providing fire and injury prevention programs to the community, and 727 hours providing community services such as standing by at sporting events.



Firefighters Chris Cushman, Tim Blackmon, and Vicky Merrell during a tour for a group of school children

Fire Department Continued...

In October, the City of Homer received notification by the Insurance Services Office (ISO) that the Fire Protection Classification for Homer was changed following a fire department evaluation in August. This reclassification lowered the Protection Class from 5/8B to its current 4/4Y. What that means for property owners is that if their property is within 5 miles of a Homer Fire Station, and within 1,000 feet of a fire hydrant their fire insurance rate may drop due to the improved rating.

If the property is within 5 miles of a station, but farther than 1,000 feet from a hydrant the classification is 4Y (formerly known as 8B). If the property is more than 5 miles from the fire station, all properties are classified as a 10. Once the Skyline Station is equipped with fire apparatus it will be considered a "fire station" by ISO and will be recognized as such for insurance purposes. This is expected by the end of 2015, once existing fire apparatus being refurbished are completed and returned to service.



Firefighter training exercise, conducts the removal of a victim from a roof top



Surface Water Rescue Training Exercise



HVFD, State DOT and Airport Firefighters conduct a joint training exercise on Beluga Lake

Police Department



The mission of the Homer Police Department is to protect the public from criminal wrongdoing, keep the peace and maintain order, assist in the orderly flow of traffic, serve the public in times of emergency and enforce the law of the land. The Police Department continues to utilize community based policing and pro-active enforcement techniques to accomplish its mission.

2014 was another busy year at the Police Department. We saw small increases in just about every statistical category we utilize to track crime in Homer. The increases in our activity levels are small enough to be statistically insignificant. We believe the growth in crime over the past three years can be attributed to the rise of heroin abuse which leveled out last year. In 2014 we received 7,202 calls for service, a 1% increase. The total number of arrest charges was 602, down slightly from last year's. The number of property crimes came in at 522, only one more than was reported the previous year. The number of violent crimes was 93, an increase of two from 2013.

Crimes that fall into the classification of violent crimes are generally assaults against another person. In 2014 we had two cases of felony assault in which the assailant was not known by the victim. These cases were solved and the perpetrators arrested. Almost all of the other crimes in this classification are misdemeanor assaults against others. Also included here are sexual abuse of minor cases and sexual assaults. We encountered another significant burglary spree in 2014. These crimes were also solved and almost all of the suspects in these crimes have been arrested and charged.

Almost all of the other crimes in this classification are misdemeanor assaults against others. Also included here are sexual abuse of minor cases and sexual assaults.

The department operates and maintains a seven bed contract jail facility. Prisoners can be held up to ten days. After three years of breaking records, our jail statistics for 2014 show a reduction in the amount of people going through our facility. In 2014, prisoners served a total of 981 days in the Homer Community Jail, down approximately 12% as compared to 2013. We also saw corresponding decreases in the total numbers of prisoners coming through the jail. Overall, our small jail is still a very busy place and deals with activity levels far above the five and ten year averages.

Time marches on and 2014 brought inevitable personnel changes to the Police Department. Long time trooper and Homer Police Officer Steve Smith retired and moved out of state. Police officer Jacob Ruebelmann resigned in the spring. We hired Nate Hull to fill one of the positions. Nate has over ten years of law enforcement experience and began his career with us several years ago. We also hired Sean Perry; he previously worked as an officer in Dutch Harbor. Jim Jones became a full time officer in the jail. Dispatch saw several personnel changes and we now have an excellent crew of dispatchers on board.



Jail Officer Ian Overson and Police Sgt. Ryan Browning qualify at the range

Police Department Continued...



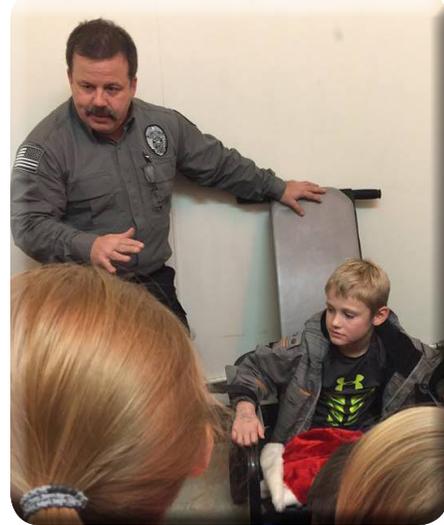
Sgt. Knott in the 4th of July parade

Homer saw some significant road construction projects in 2014. The portion of the Sterling Highway inside of the city limits from the intersection of Pioneer Ave. to the end of the Homer Spit was repaved.

Most of the work was done during the evening hours to help alleviate traffic problems. The contractors worked closely with us to prevent traffic disruptions and help ensure emergency vehicle access at all times. The project added to our always busy summer work schedules but it went off smoothly. Having this main thoroughfare repaved is a welcome improvement and a positive improvement for the safety of our motoring public.

We continued to maintain a very aggressive training and equipment replacement program in 2014. One of our goals is to maintain proficiency in our skills and stay current with the latest technological developments in our field. Officers trained in a wide area of topics, covering everything from on-going weapons drills and shooting qualifications to the latest in interviewing and interrogation techniques. Two of our officers became ALICE instructors. ALICE, "Alert, Lockdown, Inform, Counter and Evacuate", is a new concept in response to active shooter situations. We are now in the process of conducting ALICE training for every school teacher, administrator and student in Homer. We also presented training to some of our local businesses and organizations on workplace safety. The department replaced one patrol vehicle and began to upgrade our patrol rifles.

The Public Safety Building Review Committee has been meeting throughout the year. Architects worked with police and fire staff to complete a comprehensive space needs study for a new public safety building. The Council chose the old school site locally referred to as the HERC site as the location for the new facility. Plans are currently at the 10% stage and we have been engaged in various activities to inform Homer citizens about our needs and the progress of the project. We look forward to keeping this project moving forward.



Jail Officer Rick Pitta conducts a tour of the Homer Jail



Homer Police Officers conduct a joint training with HVFD

Port & Harbor - “LET US BE YOUR PORT OF CALL IN ALASKA!”

HARBOR ENTERPRISE

“Being open for business” means “being open for business when and where your customers need you”, and we are at the Port and Harbor. Our customers work the clock round and so do we. This department is service-oriented. We are proud of our relationships with all our harbor user groups. This public-owned and managed facility is run like a business; the better we are at becoming a well-run business, the better we serve the City. One of our main strengths as a department is our ability to work directly with both the vessel owners and captains, helping them plan their port calls at the docks or with their long and short term moorage needs.

FISH DOCK ACTIVITY

Homer was again #1 in commercial halibut landings in the state with a total of 2,762,345 lbs. Our public Fish Dock has provided excellent service and high-quality ice to our fishing fleet for over 30 years. Ice Plant staff’s maintenance regime has kept the facility in top shape, making the Fish Dock a sustainable and reliable facility. The fact that the City manages the Fish Dock as an open-access facility is unique in the state, helping create a competitive marketplace for the fisherman’s product, which in turn brings higher prices to the fisherman, thus more fishermen to the dock. We call this a win-win.



Ramp 3 Installation at the Port & Harbor

YEAR OF IMPROVEMENTS

It has been a banner year at the port and harbor for capital projects, but as I’m sure everyone knows, this is the result of many years of preparation, planning, and organization by the Homer team. The funding for these projects comes from a combination of State and Federal grants, direct appropriations, and local matching funds paid from either a bond or from Harbor Enterprise reserves. Our team has been successful in leveraging \$5.6 million local dollars into approximately \$28 million-worth of capital improvements to be completed in 2013 – 2016.

FINISHED PROJECTS 2014:

- End of the Road Park Improvements
- Ramp Three Replacement
- Deep Water Dock & Homer Spit Trail Extension
- System 5 (Large Vessel Moorings) Electrical Upgrade & Potable Water Supply
- Float Replacements: Portion of A Float, J, R, & S Floats

PROJECTS THAT BEGAN IN 2014 THAT ARE SLATED FOR COMPLETION IN 2015 INCLUDE:

- Potable Water Lines: New Lines on W – K Floats & Replaced Lines on J – B Floats
- New Harbor Office
- Fish Dock Crane Refurbishment
- Float Replacements: Portion of AAA, HH, & JJ Floats
- Load & Launch Ramp Replacement Project
- Large Vessel Haul-Out & Repair Facility

Projects that had significant planning/designing stages completed in 2014 include:

- Sheet Pile Dock at the Barge Ramp
- Barge Mooring Facility

Port & Harbor Continued...

- Parking Improvements Between Seafarer’s Memorial & Boardwalk
- Chip Pad Storm Water Treatment System
- Pioneer Dock Fender Upgrade & Covered Pedestrian Walkway
- Deep Water Dock Bird Deterrent Project



The newly refurbished Fish Dock crane

PROMOTING HOMER’S PORT & HARBOR

The Homer Port and Harbor has been successful at marketing. We have been collaborating with Homer Marine Trades Association in attending promotional events such as Seattle’s Fish Expo, and advertising Homer’s unique marine trades support industry. Remember: what’s good for marine trades in Homer is also good for the port and harbor. We are also working hand-in-hand with the Homer Chamber of Commerce with manning booths at the Seattle Boat Show and Anchorage’s Anchors Away Boat Show, and providing support for the Winter King Salmon Tournament and Homer Halibut Derby. Staff also works to keep our website updated and interesting, and maintains several advertisements in various magazines.

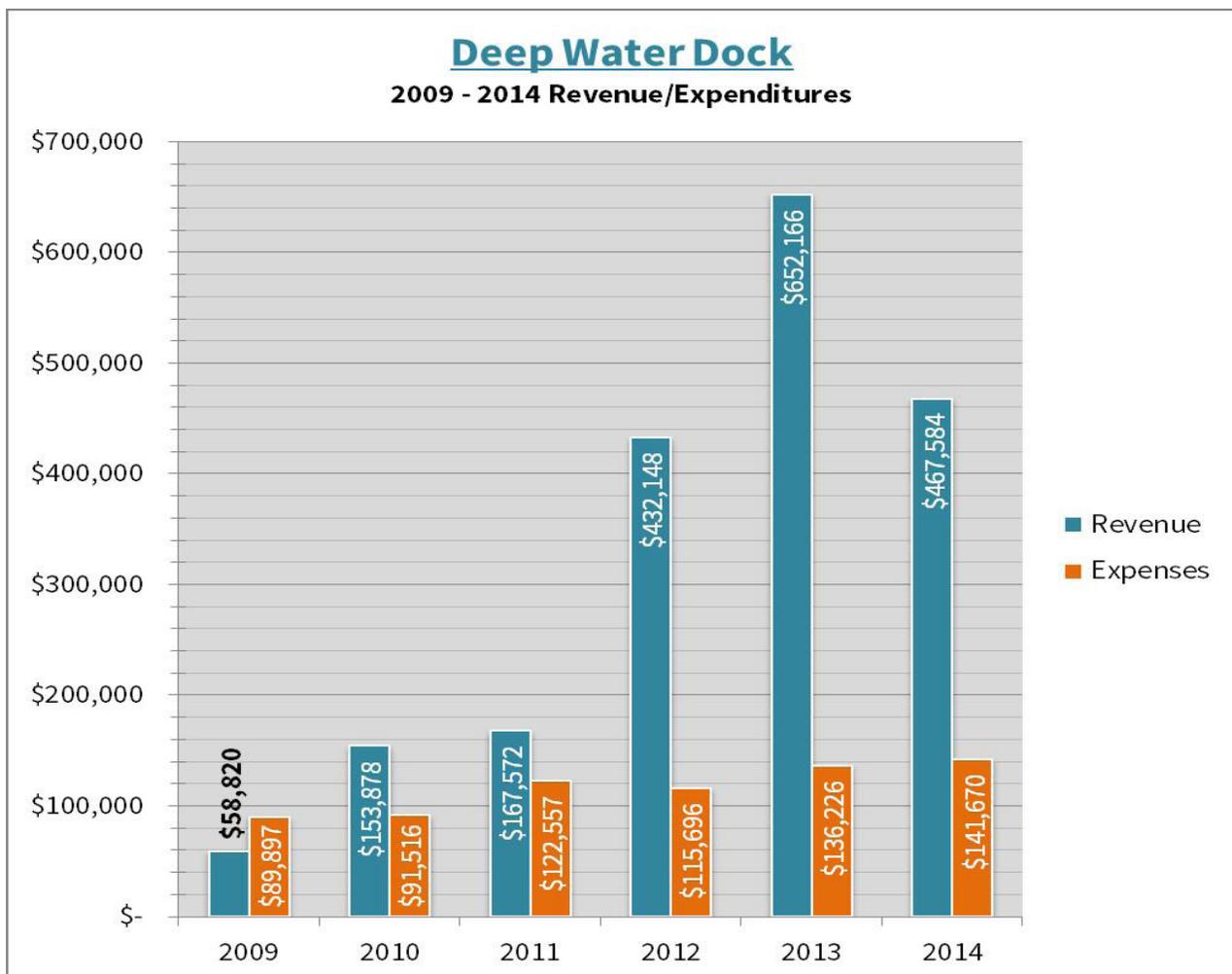
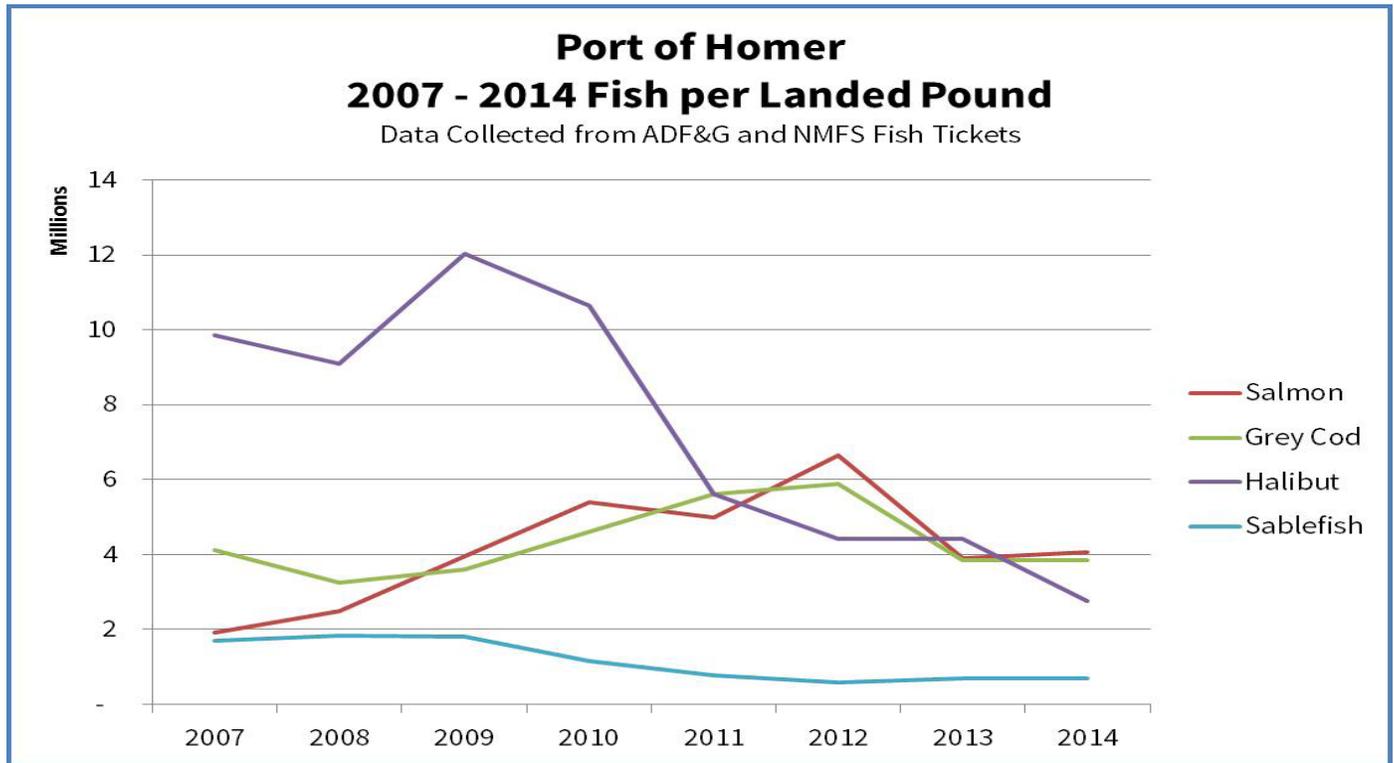
Being involved with harbor-related groups is a strong asset to the Port and Harbor. Harbor staff currently holds memberships/positions with Alaska Association of Harbormasters and Port Administrators, Pacific Coast Congress, Homer Marine Trades Association, Cook Inlet Risk Assessment, Alaska Clean Harbors, and the Alaska Abandoned and Derelict Vessels Ad Hoc Task Force.

ADMINISTRATIVE ACCOMPLISHMENTS

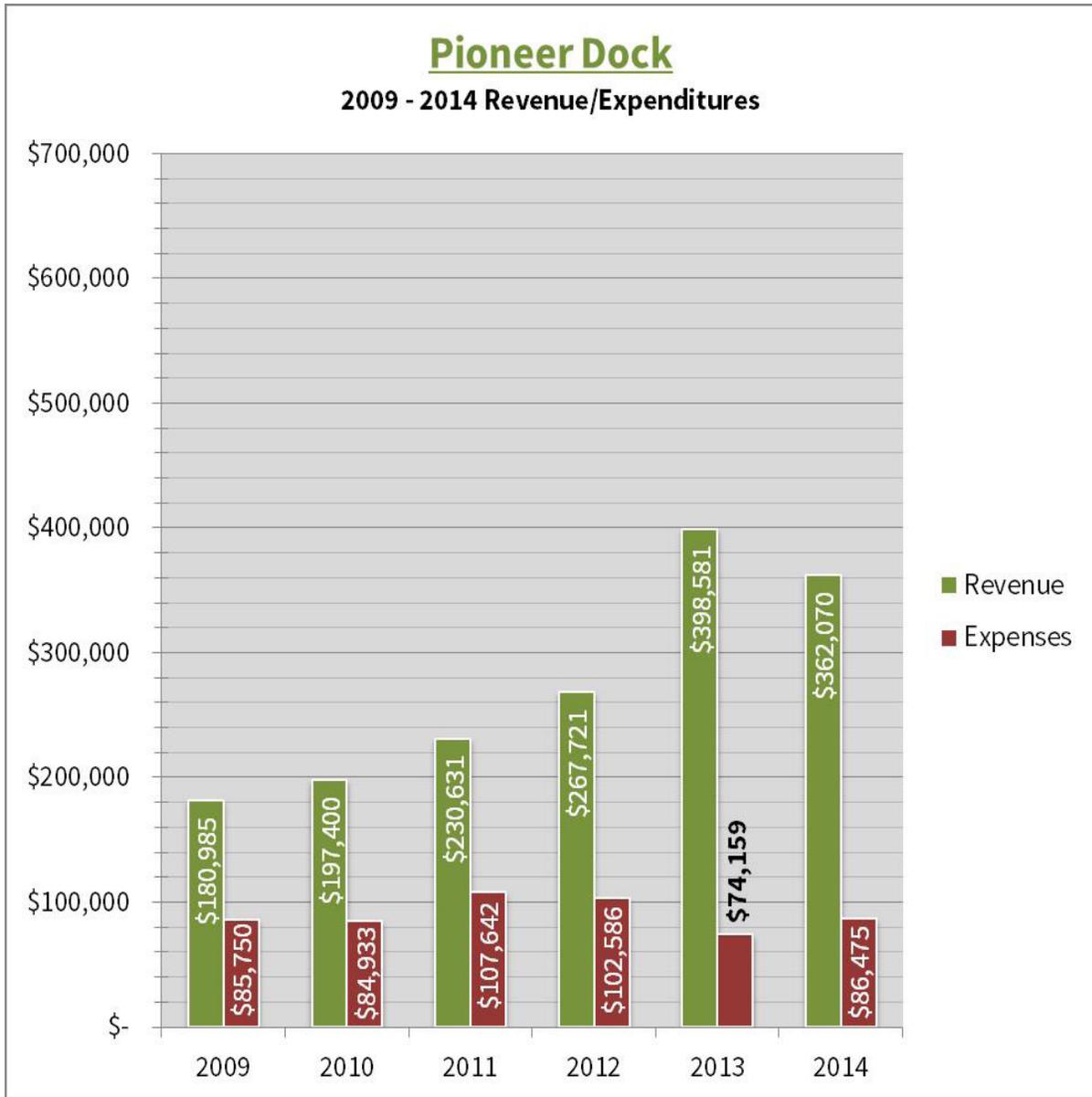
Not all of the Port and Harbor’s tasks/accomplishments happen out in the field. In the office, Harbor Staff had some big projects happen in 2014, including:

- Rewriting the Port of Homer’s Facility Security Plan for its 5-year renewal with the USCG.
 - Implementing new policies/paperwork for vessel moorage agreements: there are now two separate agreements for transient and reserved vessels with revised verbiage; agreements are now a one-time document and no longer expire at the end of each year.
 - Implementing the new GFI Regulations for new docks that have power: many vessels are not grounded properly, causing many vessels to not be able to access shore power; the City requested an extension from the State of Alaska for implementation deadline, and have been working closely with boat owners on getting them the right equipment/setup.
 - Purchasing, installing, and enforcing a new “No-Wake” buoy, located at the harbor entrance.
 - Forming Homer’s new Marine Haul-Out & Repair Facility: a mass questionnaire was sent out to collect data from harbor users on their haul-out needs; staff has used this information for policy writing, creating user agreements/forms, and setting up the Best Management Policies/Procedures; all of this work in addition to managing the haul-out scheduling and activity every fall/winter.
 - Revising all harbor stall records to reflect the new construction and changes to stall quantities, their numbers, and relocating displaced stall lessees; revisions were made to the overview maps, forms, stall file records, and Marina programs stall listings.
- Improving parking enforcement policies: new citations were written to be harbor-specific, and for the first time a parking enforcement personnel manual was written; this document includes standard procedures as well as statistics for Spit parking and problematic areas.

Port & Harbor Continued...



Port & Harbor Continued...



Public Library



IN 2014 THE HOMER PUBLIC LIBRARY:

- Maintained a collection of 51,116 books, audios, videos, maps and other items.
- Checked out 130,039 items, a 12% increase over 2013.
- Borrowed 322 items from other libraries for Homer patrons and loaned 492 items to other libraries in Alaska and the U.S.
- Received more than 129,600 library users and visitors, a 4% increase over 2013.
- Held Preschool Storytime and Small Fry Storytime for 3,707 babies, toddlers, preschoolers, and their caregivers, a 15.5% increase over 2013.
- Made 80 visits to 836 homebound seniors, preschoolers at early learning centers, and students in classrooms to deliver books, story times, information, and literacy activities.
- Provided over 47,229 sessions of computer and internet use.
- Provided study rooms for 4,767 people and small groups, a 17% increase over 2013.
- Provided space and equipment for 222 community groups to meet, give presentations, offer workshops, and participate in video conferences.
- Issued 652 new library cards.
- Benefitted from more than 1,837 volunteer hours.

EVENTS, PROGRAMS, AND ACTIVITIES

HPL was again designated as a Star Library by Library Journal. In May we celebrated our

one-millionth visitor to the library! Other highlights from 2014 include:

CELEBRATION OF LIFELONG LEARNING

Friends of Homer Library (FHL) honored Kyra Wagner and Youth Award winner Hannah Baird. Willie Iggia-gruk Hensley was keynote speaker. The event highlights the role libraries play in supporting lifelong learning by recognizing individuals who improve our community through their on-going quest for knowledge.

Author Events included readings and programs by Katey Schultz, Brendan Jones, Donna Mack and Jennifer Pharr Davis.

In 2014 our Youth Services Librarian, Claudia Haines, became full-time, allowing us to add a second preschool story time on Tuesdays and additional programs throughout the year. 370 children, teens and adults participated in the Summer Reading Program, which included Maker Mondays, a 3D printer demonstration, Stevens Puppet show, K9 Trooper Unit visit, national Teen Minecraft night, Robot/Arduino programming and much more. Forty-four people, businesses, and foundations donated to the program. Other activities included Digital Learning Day, a LEGO contest, monthly LEGO club and a cardboard challenge. Claudia also represented the library at the Rotary health Fair and the Safe Kids Fair.

Adult Programs included art exhibits with related programs (such as artist talks), moderated discussions on various topics, an essay contest on “liberty, media and justice,” a program on Shackleton and the Endurance, and a 3D printer demonstration. Ongoing programs included ham radio classes, which resulted in 19 people attaining licenses.



Teens participate in Minecraft night

Public Library Continued...

COMMUNITY PARTNERSHIPS

- Pratt Museum: With the help of Janet Klein, we are coordinating with the Pratt to display library materials that relate to special exhibits at the museum.
- Homer Early Childhood Coalition: This year's cooperative efforts included a Homer early-literacy resources website, as well as a flannel board workshop for parents, teachers and caregivers, led by Youth Services Librarian Claudia Haines.
- FLEX: FHL worked with FLEX school to build a Little Library, placed at Fritz Creek Grocery and maintained by FHL.
- iFEST: FHL worked with businesses and volunteers on a series of events promoting local entrepreneurship, the BIZ-Idea Contest and Entrepreneur of the Year Award.
- Colors of Homer: We hosted two programs by Colors of Homer, at teen group of performing artists.

LITERACY

We applied for and received two grants promoting literacy: \$2,000 for early learning materials and storage benches to house them; and a \$13,000 grant to organize a workshop for program providers on incorporating early literacy skills into programs and services.

THE COLLECTION

Staff focused on weeding, updating, and improving the collection. New shelving was purchased for the CD, DVD, and Teen areas. We also worked on new signage for the stacks.

STAFF CHANGES

Mercedes Harness resigned from her half-time position; happily for us, she continues to sub for story times when Claudia is unavailable. Jackie McDonough filled the position in May.

By reallocating funds budgeted for part-time staff, we were able to hire a temporary Library Aide to assist with the summer increase in visitors and workload. This worked very well.

TECHNOLOGY

- Staff completed the EDGE Assessment process, a tool to assist in identifying technology strengths and weaknesses in libraries.
- Claudia Haines wrote and received a grant for 10 iPads for instructional use, plus 2 for use in the children's library and the teen area.
- Wireless bandwidth was increased modestly as of July 1.
- Holly Brennan set up a computer with assistive technology that is wheelchair accessible.

FACILITY

- Natural gas conversion was completed, including to the fireplace. Our fuel savings are significant!
- Additional beds and a sign were added to the People's Garden along the bike trail.
- In response to safety concerns, library land west of the parking lot was thinned. FHL is working on plans to utilize the area to improve community access and further the mission of the library.
- In addition to shelving, we purchased two lounge chairs for the Teen area.



Homer Library's one millionth visitor Joy McCaul!

Public Library Continued...



Small Fry Story Time



Stevens' Puppets



LEGO® Club



Super Hero – Super Reader!

“The only thing you absolutely have to know, is the location of the library.”

-Albert Einstein

Public Works

THE FOLLOWING PROJECTS WERE COMPLETED (OR STARTED) IN 2014

CONVERSIONS TO NATURAL GAS

City buildings served by the second year gas main extensions (Water Treatment Plant and the Restrooms/ Harbor Maintenance Shop on the Spit) were completed this year. All City buildings have been converted to natural gas.

HARBORMASTER'S OFFICE

Ground was broken the summer of 2014 for the new Harbormaster's Office. The building will be complete in 2015. Grand Opening – June 11, 2015.



HARBOR FLOAT REPLACEMENT

This project, funded 50% by a State grant and 50% by City bond proceeds, was started in 2014. The work provides improved floats in the Small Boat Harbor, including A, J, R, and S float replacement and utility improvements (on west side of the harbor).



RAMP 3 REPLACEMENT

The project is also funded 50% by State grant; 50% by City bond proceeds. The work consists of the removal of the existing approach trestle, ram and construction of a new shorted trestle and longer covered ramp. This work was completed in 2014.



SYSTEM 5 ELECTRICAL IMPROVEMENT

The project is funded 50% by State grant and 50% by City bond proceeds. The work provides improved water and electrical service to the large commercial vessels that moor at this facility. This improvement will provide more dependable connections.

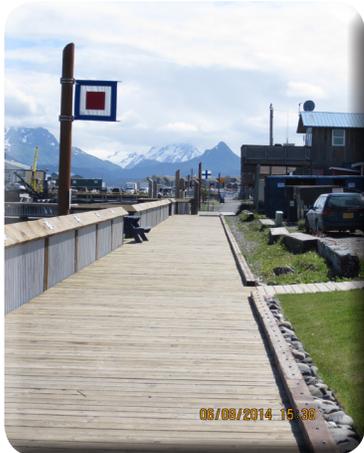
DWD TRAIL/CRUISE SHIP BUS STAGING AREA

This work is funded by cruise ship passenger head tax revenues. The work is substantially complete and consists of improvements at the Deep Water Dock approach, including staging area striping and signage; and paving of a trail from the staging area, along the east side of the small boat harbor, past the load and launch ramp to Homer Spit Road. Also included in this project are timber overlooks, benches, perimeter banners, interpretive signing and 1% for art installations.

CHARLES WAY TRAIL IMPROVEMENT

A short section of trail, connecting access improvements already in place to the Beluga Place Right-of-Way (near the Bishop's Beach Park) was connected to increase pedestrian access in the Old Town neighborhood.

Public Works Continued...



BOARDWALK REPLACEMENT PROJECT

This project was completed early in 2014 and consisted of replacing the wooden boardwalk along the Small Boat Harbor between Ramp 1 and 3. The new boardwalk is wider than the old one; and includes overlooks with picnic tables and benches. This work is funded by cruise ship passenger head tax revenues.

COAL POINT TRAIL

This work is funded by cruise ship passenger head tax revenues. The work is substantially complete and consists of paving of a trail from Homer Spit Road (near the Ice Dock Road intersection) over to the Bay; along the Bay (near the Small Boat Harbor entrance) to Coal Point Park. Also included in this project is interpretive signing. Riprap shore protection installed last year along the trail alignment allowed for permanent trail improvements to be constructed and erosion of the beach was eliminated.



HARBOR ENTRANCE SHORE PROTECTION IMPROVEMENTS

This shore protection will solve shore erosion problems and allow for the Coal Point Trail to be constructed (providing access from the proposed Spit Trail to Coal Point Park). This work is funded by cruise ship passenger head tax revenues.



CITY BEAUTIFICATION PROJECT

The Parks and Recreation Department has again this year provided thousands of plants for City flower beds and local business barrels and planting areas.



SKYLINE SATELLITE FIRE STATION

The new fire station, located adjacent to the Water Treatment Plant, was completed in 2014. The new building includes four vehicle storage bays, and a small office and restroom. This year there will be no fire-fighting equipment stored outside and all equipment will be ready to respond to any emergency.

Public Works Continued...



KAREN HORNADAY PARK SHELTER RELOCATION

This work was completed in 2014 and consisted of moving the old shelter to a new foundation in between the ball fields. This work was the initial effort associated with Phase II of the current Park improvement projects.

CAMPGROUND TRAIL IMPROVEMENTS

This project is funded by a Land and Water Conservation Fund grant, with a 50% match requirement, represents the second phase of the current Park improvement project. The project consisted of constructing a looped trail around the back of the first upper ball field, providing access for maintenance equipment and pedestrians to the second upper ball field and the relocated shelter. The project also consisted of providing improvements to the campground, completing drainage improvements, capping all access roads with gravel, capping all camping parking spaces, improving campgrounds one and two to meet ADA requirements, and providing electrical service to the campground host site.

SEWER TREATMENT PLANT

The original treatment plant headworks (screening and solids removal at the beginning of the sewer treatment process) upgrade was completed this year to facilitate better treatment and replace aging equipment.

AIRPORT UNDERGROUND FUEL TANK REMOVAL

Completing the conversion of the airport terminal to natural gas was the removal of the underground fuel tank that previously served the facility. Removal of underground tanks eliminate the potential liability associated with operating underground tanks and groundwater contamination.



BELUGA SLOUGH TRAIL INTERPRETIVE SIGNAGE

Six interpretive signs were placed along the Beluga Slough Trail. These signs reflect the poetry of Wendy Erd, writer and story facilitator, and provide the trail user with inspiration and education about the wetland environment of the slough, and the plants and wildlife that make it home. The last portion of plastic trail is scheduled to be replaced next spring.

OLD TOWN PEDESTRIAN IMPROVEMENTS

This project consisted of re-striping Bunnell Avenue to narrow vehicle lanes, provide for a pedestrian walkway along the south side of the street; installation of 15 MPH speed limit signs; and paint crosswalks at three locations (with signage). The intent of this project was to slow vehicular traffic and provides safer pedestrian access in the Old Town area.

Charts & Graphs

Statement of Net Position
December 31, 2014

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|--------------------|
| Assets | | | |
| Cash and investments | 12,242,808 | 1,588,696 | 13,831,504 |
| Receivables <i>(Net of allowance for doubtful accounts)</i> : | | | |
| Accounts | 185,523 | 187,104 | 372,627 |
| Sales and property taxes | 1,216,489 | - | 1,216,489 |
| State and federal grants and loans | 3,550,020 | 3,660,958 | 7,210,978 |
| Assessments | 5,221,628 | - | 5,221,628 |
| Other | 271,583 | - | 271,583 |
| Internal balances | 288,921 | (288,921) | - |
| Inventory | 306,694 | 14,431 | 321,125 |
| Prepaid items | 389,155 | 48,251 | 437,406 |
| Restricted cash and investments | 3,302,991 | 293,697 | 3,596,688 |
| Capital assets <i>(Not being depreciated - land and construction in progress)</i> | 12,287,464 | 25,832,002 | 38,119,466 |
| Other capital assets, net of accumulated depreciation | 71,746,210 | 23,414,054 | 95,160,264 |
| Total assets | 111,009,486 | 54,750,272 | 165,759,758 |
| Liabilities | | | |
| Accounts payable | 738,217 | 1,024,248 | 1,762,465 |
| Accrued payroll and related liabilities | 236,953 | 39,368 | 276,321 |
| Accrued Interest Payable | 87,174 | - | 87,174 |
| Prepaid rentals and deposits | 59,856 | 837,534 | 897,390 |
| Unearned revenue | 48,947 | 18,000 | 66,947 |
| Non-Current Liabilities, net of current portion: | | | |
| Due Within One Year | | | |
| Accrue Leave | 20,000 | 14,398 | 34,398 |
| Notes payable | 915,622 | - | 915,622 |
| General Obligation Bonds Payable | - | 130,000 | 130,000 |
| Due in More Than One Year | | | |
| Accrue Leave | 708,707 | 184,781 | 893,488 |
| Notes payable | 13,137,391 | - | 13,137,391 |
| General Obligation Bonds Payable (including premium) | - | 3,920,054 | 3,920,054 |
| Special Assessment Bonds Payable <i>(with Gov. Commitment to Kenai Peninsula Borough)</i> | 12,359,388 | - | 12,359,388 |
| Unearned revenue | | 289,657 | 289,657 |
| Total liabilities | 28,312,255 | 6,458,040 | 34,770,295 |
| Net Position | | | |
| Investment in capital assets | 58,894,875 | 45,489,699 | 104,384,574 |
| Restricted: | | | |
| Roads and Trails | 7,538,071 | - | 7,538,071 |
| Special Service District | 76,421 | - | 76,421 |
| Unrestricted | 16,187,864 | 2,802,533 | 18,990,397 |
| TOTAL NET POSITION | 82,697,231 | 48,292,232 | 130,989,463 |
| Total liabilities and net assets | 111,009,486 | 54,750,272 | 165,759,758 |

See FY 14 Comprehensive Annual Financial Report (Audited) , page 18

Charts & Graphs Continued...

Summary of Revenues & Expenditures: General Fund

| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2010</u> | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> |
|---|-------------------|-------------------|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues: | | | | | | | | | | |
| Total Taxes | 6,195,352 | 6,922,637 | 7,443,080 | 8,048,948 | 7,223,518 | 7,370,678 | 7,606,502 | 7,708,442 | 8,093,842 | 8,115,908 |
| Licenses and Permits | 42,717 | 46,096 | 43,765 | 26,219 | 19,614 | 22,965 | 25,040 | 22,248 | 35,706 | 27,931 |
| Intergovernmental (Excluding PERS) | 765,957 | 611,153 | 1,482,436 | 1,372,905 | 1,453,009 | 1,305,741 | 1,668,581 | 1,741,303 | 1,196,506 | 1,326,863 |
| Intergovernmental (PERS Only) | | | | | | | | | 630,058 | 1,253,205 |
| Total Charges for Services | 2,183,048 | 2,136,838 | 2,382,465 | 2,337,323 | 2,629,639 | 1,961,887 | 1,943,906 | 1,976,371 | 1,991,509 | 2,125,051 |
| Special Assessment | 12,711 | 7,251 | 12,244 | 127,876 | 110,543 | 42,097 | 29,775 | 67,367 | 52,875 | 59,740 |
| Investment Income (Loss) | 30,419 | 53,775 | 89,191 | 63,429 | 29,654 | 15,600 | 33,499 | 28,423 | -108,152 | 30,830 |
| Fine and Forfeitures | 23,269 | 19,435 | 19,941 | 34,193 | 16,065 | 15,551 | 17,460 | 8,065 | 10,469 | 20,142 |
| Other | | 200,404 | | 499,189 | 5,474 | 4,917 | | | | |
| Total Revenues | 9,253,473 | 9,997,589 | 11,473,122 | 12,510,082 | 11,487,516 | 10,739,436 | 11,324,763 | 11,552,219 | 11,902,813 | 12,959,670 |
| Expenditures: | | | | | | | | | | |
| General Government | | | | | | | | | | |
| Council/Mayor | | | | | | | | | | |
| City Clerk | -690,140 | -302,577 | -288,900 | -327,253 | -396,441 | -280,549 | -285,625 | -612,706 | -373,741 | -372,495 |
| City Manager | -252,863 | -290,483 | -282,580 | -334,463 | -333,402 | -303,088 | -316,209 | -341,488 | -378,621 | -420,545 |
| Admin Services | -271,292 | -281,608 | -336,514 | -277,168 | -293,310 | -282,171 | -285,809 | -285,087 | -251,689 | -287,891 |
| Planning | -905,166 | -836,485 | -1,094,569 | -1,357,657 | -1,354,818 | -1,250,444 | -1,233,803 | -1,316,958 | -1,450,182 | -1,592,314 |
| City Hall Complex | -384,707 | -397,683 | -347,241 | -384,861 | -405,557 | -403,252 | -396,311 | -421,946 | -434,628 | -487,635 |
| Non Departmental | -116,916 | -110,625 | -139,014 | -161,681 | -215,538 | -123,100 | -158,856 | -195,412 | -132,413 | -234,882 |
| Total General Government | -2,621,084 | -2,219,461 | -2,584,667 | -2,936,021 | -3,137,288 | -2,757,206 | -2,789,160 | -3,286,949 | -3,162,929 | -3,507,640 |
| Public Safety | | | | | | | | | | |
| Police | -1,666,917 | -1,720,929 | -1,876,558 | -2,247,593 | -2,233,385 | -2,127,092 | -2,276,009 | -2,415,890 | -2,508,124 | -2,765,050 |
| Jail | -520,640 | -573,344 | -654,243 | -717,003 | -737,094 | -683,318 | -640,411 | -670,119 | -722,261 | -728,409 |
| Animal Control | -83,861 | -117,044 | -140,441 | -146,144 | -141,559 | -148,901 | -158,357 | -159,719 | -161,960 | -153,017 |
| Emergency Services | -742,990 | -845,122 | -871,794 | -1,032,653 | -962,481 | -856,424 | -892,355 | -955,776 | -912,302 | -1,062,141 |
| Total Public Safety | -3,014,408 | -3,256,439 | -3,543,036 | -4,143,393 | -4,074,519 | -3,875,735 | -3,967,132 | -4,201,504 | -4,304,647 | -4,708,617 |
| Total Public Works | -1,293,092 | -1,506,099 | -1,599,874 | -1,765,997 | -1,944,479 | -1,731,939 | -1,853,376 | -1,940,325 | -1,938,933 | -2,183,582 |
| Library | -368,969 | -449,289 | -593,027 | -681,983 | -724,150 | -716,824 | -705,152 | -707,603 | -771,638 | -847,655 |
| Airport | -146,221 | -179,504 | -195,680 | -228,720 | -230,934 | -201,118 | -216,035 | -209,859 | -195,109 | -221,302 |
| Park & Recreation | -327,682 | -367,027 | -384,697 | -422,251 | -359,683 | -377,280 | -299,631 | -347,107 | -365,830 | -409,211 |
| Community Services | -147,000 | -207,858 | -235,243 | -321,476 | -214,964 | -222,683 | -210,285 | -228,770 | -226,801 | -237,507 |
| Debt Services | -100,416 | -228,825 | -220,605 | -546,427 | -121,804 | -106,670 | -99,824 | -99,824 | -99,824 | -99,824 |
| Total Expenditures | -8,018,872 | -8,414,502 | -9,356,829 | -11,046,268 | -10,807,821 | -9,989,455 | -10,140,595 | -11,021,941 | -11,065,711 | -12,215,338 |
| Excess of Revenues over Expenses | 1,234,601 | 1,583,087 | 2,116,293 | 1,463,814 | 679,695 | 749,981 | 1,184,168 | 530,278 | 837,102 | 744,332 |
| Other Financing Uses (Transfers) | -379,460 | -557,142 | -1,010,183 | -1,862,702 | -384,794 | -71,387 | -30,136 | -1,169,512 | -877,930 | -223,083 |
| Net Change in Fund Balance | 855,141 | 1,025,945 | 1,106,110 | -398,888 | 294,901 | 678,594 | 1,154,032 | -639,234 | -40,828 | 521,249 |
| Beginning Fund Balance | 2,012,011 | 2,867,152 | 3,893,097 | 4,999,207 | 4,600,319 | 4,895,220 | 5,573,814 | 6,272,846 | 6,088,612 | 6,047,784 |
| Ending Fund Balance | 2,867,152 | 3,893,097 | 4,999,207 | 4,600,319 | 4,895,220 | 5,573,814 | 6,272,846 | 6,088,612 | 6,047,784 | 6,569,033 |

Summary of Revenues & Expenditures: Enterprise Fund - Port and Harbor

| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2010</u> | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|-----------------|-------------------|
| Operating Revenue | 2,507,815 | 2,547,028 | 2,693,757 | 3,197,633 | 3,347,738 | 3,504,442 | 3,563,431 | 3,917,599 | 4,451,839 | 4,197,852 |
| Operating Expenses | -3,862,262 | -4,075,990 | -4,408,197 | -4,486,151 | -4,793,655 | -4,563,253 | -4,595,840 | -4,641,616 | -5,030,996 | -5,399,865 |
| Operating Gain (Loss) | <u>-1,354,447</u> | <u>-1,528,962</u> | <u>-1,714,440</u> | <u>-1,288,518</u> | <u>-1,445,917</u> | <u>-1,058,811</u> | <u>-1,032,409</u> | <u>-724,017</u> | <u>-579,157</u> | <u>-1,202,013</u> |
| Net Nonoperating Gain/(Loss) | 102,650 | 703,352 | 206,691 | 204,532 | 209,913 | 280,927 | 292,538 | 344,456 | 235,174 | 516,133 |
| Total Gain/(Loss) | <u>-1,251,797</u> | <u>-825,610</u> | <u>-1,507,749</u> | <u>-1,083,986</u> | <u>-1,236,004</u> | <u>-777,884</u> | <u>-739,871</u> | <u>-379,561</u> | <u>-343,983</u> | <u>-685,880</u> |

Summary of Revenues & Expenditures: Utility Special Revenue Fund (Including HAWSP & Reserve)

| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2010</u> | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Revenues: | | | | | | | | | | |
| Sales Tax | 1,031,167 | 1,134,096 | 1,235,022 | 1,266,790 | 1,072,222 | 1,101,563 | 1,179,108 | 1,174,683 | 1,217,246 | 1,247,502 |
| Charges for Services: | | | | | | | | | | |
| Water | 1,343,855 | 1,199,744 | 1,267,186 | 1,481,241 | 1,560,566 | 1,694,223 | 1,751,263 | 1,717,259 | 1,810,774 | 1,951,517 |
| Sewer | 1,261,522 | 1,380,994 | 1,419,399 | 1,457,354 | 1,478,825 | 1,483,423 | 1,507,452 | 1,552,816 | 1,612,138 | 1,671,810 |
| Water & Sewer Special Assessments | | | | | | 373,528 | 278,722 | 262,591 | 243,824 | 438,088 |
| Net Other Rev. & Exp | -102,598 | 104,172 | 236,551 | 266,214 | 110,749 | 1,237,576 | 929,284 | 187,274 | 343,330 | 659,360 |
| Total Revenues | <u>3,533,946</u> | <u>3,819,006</u> | <u>4,158,158</u> | <u>4,471,599</u> | <u>4,222,362</u> | <u>5,890,313</u> | <u>5,645,829</u> | <u>4,894,623</u> | <u>5,227,312</u> | <u>5,968,277</u> |

Expenses:

| | | | | | | | | | | |
|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Water | -1,352,875 | -1,415,370 | -1,644,943 | -2,017,800 | -2,163,754 | -1,697,751 | -1,894,144 | -1,951,063 | -1,862,937 | -2,283,417 |
| Sewer | -1,244,634 | -1,393,340 | -1,505,867 | -1,635,301 | -1,661,344 | -1,647,605 | -1,650,640 | -1,745,959 | -1,773,753 | -1,798,228 |
| Depreciation | <u>-1,780,181</u> | <u>-1,784,143</u> | <u>-2,016,613</u> | <u>-2,069,133</u> | <u>-2,225,964</u> | <u>-1,153,595</u> | <u>-1,147,246</u> | <u>-995,179</u> | <u>-958,714</u> | <u>-2,579,934</u> |
| Debt Services | | | | | | -1,731,052 | -3,255,129 | -1,888,835 | -702,255 | -671,683 |
| Capital Outlay | | | | | | -6,230,003 | -7,947,159 | -6,581,036 | -5,297,659 | -7,333,262 |
| Total Expenses | <u>-4,377,690</u> | <u>-4,592,853</u> | <u>-5,167,423</u> | <u>-5,722,234</u> | <u>-6,051,062</u> | <u>-6,230,003</u> | <u>-7,947,159</u> | <u>-6,581,036</u> | <u>-5,297,659</u> | <u>-7,333,262</u> |

Net Gain/ (Loss)

| | | | | | | | | | | |
|--|-----------------|-----------------|-------------------|-------------------|-------------------|-----------------|-------------------|-------------------|----------------|-------------------|
| | <u>-843,744</u> | <u>-773,847</u> | <u>-1,009,265</u> | <u>-1,250,635</u> | <u>-1,828,700</u> | <u>-339,690</u> | <u>-2,301,330</u> | <u>-1,686,413</u> | <u>-70,347</u> | <u>-1,364,985</u> |
|--|-----------------|-----------------|-------------------|-------------------|-------------------|-----------------|-------------------|-------------------|----------------|-------------------|

Other Financing Sources (Uses)

| | | | | | | | | | | |
|---------------------------------------|----------------|------------------|------------------|------------------|----------------|----------------|------------------|------------------|-----------------|----------------|
| Issuance of Long Term Debt | | | | | | 534,728 | 2,162,442 | 1,565,730 | 0 | 0 |
| Capital Contribution | 221,412 | 2,274,619 | 1,333,867 | 4,571,058 | 317,159 | | | | | |
| Special Items - Writeoff | | | | 249,667 | | | | | | |
| Transfers In (Out) | -110,000 | -367,970 | -92,000 | | 124,115 | -177,950 | -172,932 | -20,300 | -121,482 | 160,199 |
| Other Financing Sources (Uses) | <u>111,412</u> | <u>1,906,649</u> | <u>1,241,867</u> | <u>4,820,725</u> | <u>441,274</u> | <u>356,778</u> | <u>1,989,510</u> | <u>1,545,430</u> | <u>-121,482</u> | <u>160,199</u> |

Net Change in Fund Balance

| | | | | | | | | | | |
|--|-----------------|------------------|----------------|------------------|-------------------|--------|----------|----------|----------|------------|
| | <u>-732,332</u> | <u>1,132,802</u> | <u>232,602</u> | <u>3,570,090</u> | <u>-1,387,426</u> | 17,088 | -311,820 | -140,983 | -191,829 | -1,204,786 |
|--|-----------------|------------------|----------------|------------------|-------------------|--------|----------|----------|----------|------------|

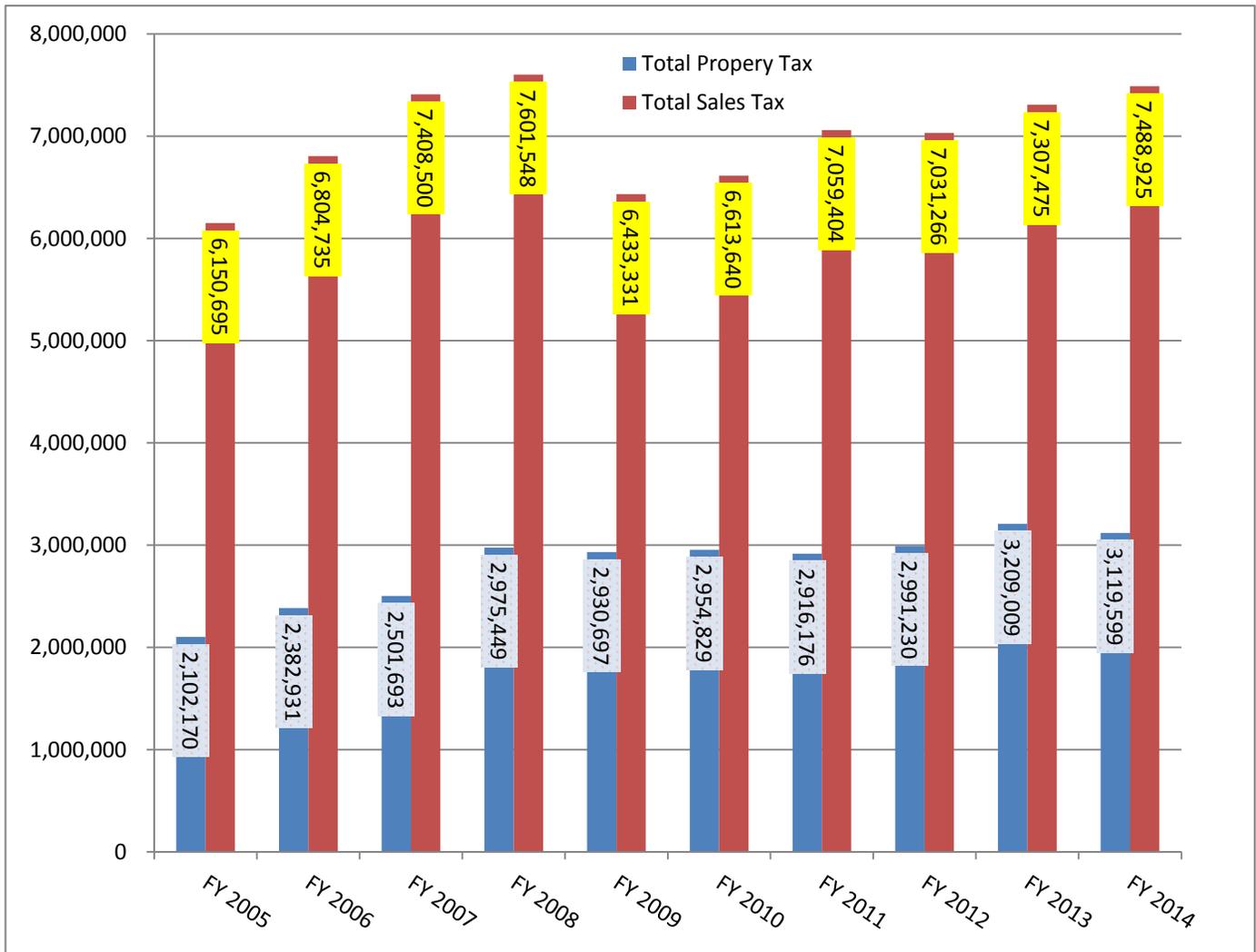
Beginning Fund Balance

| | | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>3,640,197</u> | <u>3,657,285</u> | <u>3,657,285</u> | <u>3,657,285</u> | <u>3,657,285</u> | <u>3,640,197</u> | <u>3,657,285</u> | <u>3,345,465</u> | <u>3,204,482</u> | <u>3,012,653</u> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

Endline Fund Balance

| | | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>3,657,285</u> | <u>3,657,285</u> | <u>3,657,285</u> | <u>3,657,285</u> | <u>3,657,285</u> | <u>3,657,285</u> | <u>3,345,465</u> | <u>3,204,482</u> | <u>3,012,653</u> | <u>1,807,867</u> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

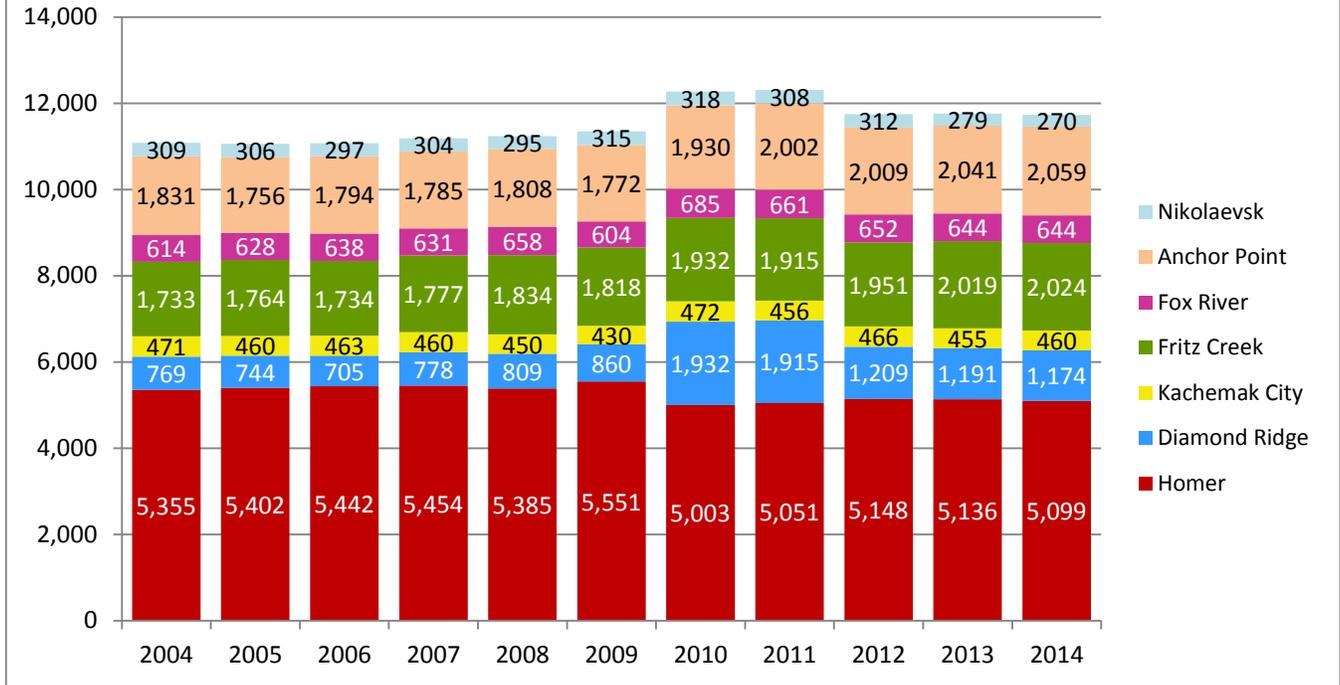
Yearly Tax Revenues 2005 - 2014



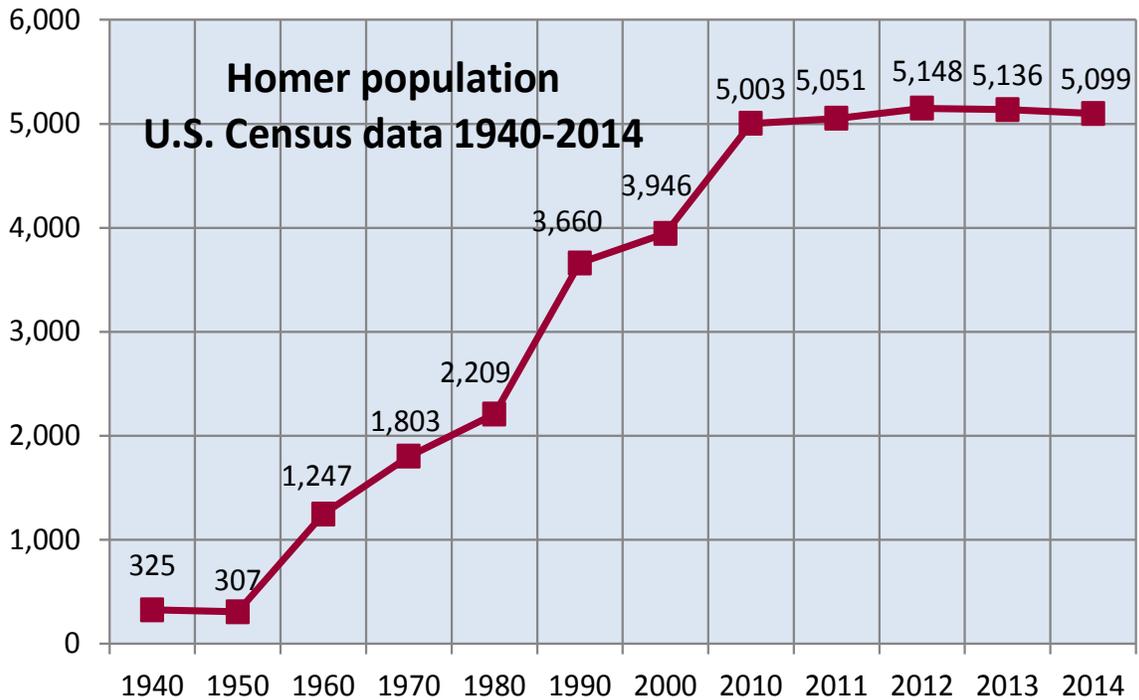
| <u>Fiscal Year</u> | <u>Total Property Tax</u> | <u>Δ%</u> | <u>Total Sales Tax</u> | <u>Δ%</u> | <u>Total Taxes</u> |
|--------------------|---------------------------|-----------|------------------------|-----------|--------------------|
| FY 2005 | 2,102,170 | | 6,150,695 | | 8,252,865 |
| FY 2006 | 2,382,931 | 13.4% | 6,804,735 | 10.6% | 9,187,666 |
| FY 2007 | 2,501,693 | 5.0% | 7,408,500 | 8.9% | 9,910,193 |
| FY 2008 | 2,975,449 | 18.9% | 7,601,548 | 2.6% | 10,576,997 |
| FY 2009 | 2,930,697 | -1.5% | 6,433,331 | -15.4% | 9,364,028 |
| FY 2010 | 2,954,829 | 0.8% | 6,613,640 | 2.8% | 9,568,469 |
| FY 2011 | 2,916,176 | -1.3% | 7,059,404 | 6.7% | 9,975,580 |
| FY 2012 | 2,991,230 | 2.6% | 7,031,266 | -0.4% | 10,022,496 |
| FY 2013 | 3,209,009 | 7.3% | 7,307,475 | 3.9% | 10,516,484 |
| FY 2014 | 3,119,599 | -2.8% | 7,488,925 | 2.5% | 10,608,525 |

Charts & Graphs Continued...

Population of Homer and Neighboring Census Areas, 2004-2014

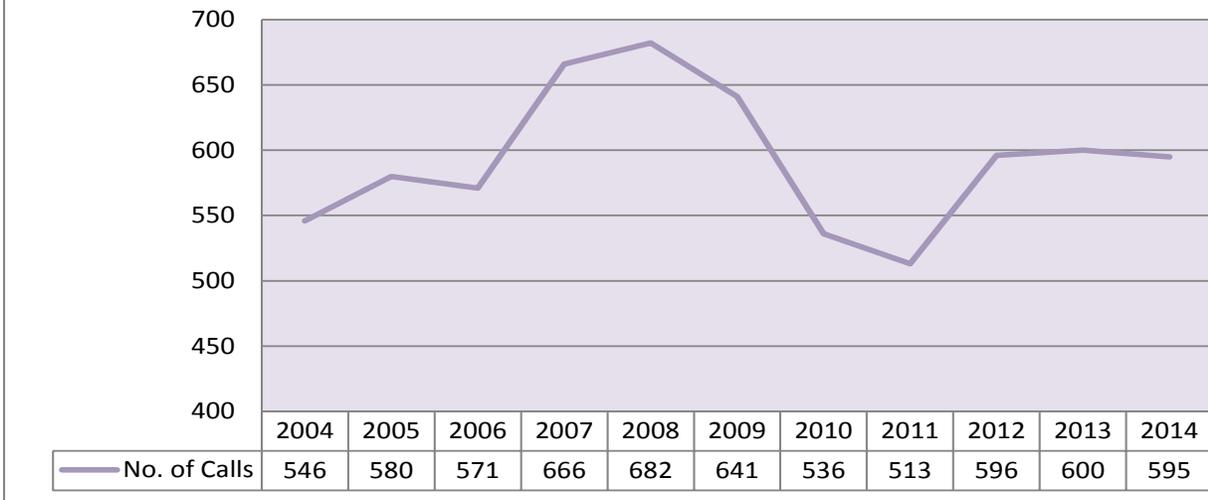


Notes: Homer annexed part of Diamond Ridge and all of Miller's Landing in April 2002. Year 2010 population is from the 2010 U.S. Census. Population figures for non census years are estimates provided by the Alaska Dept. of Labor and Workforce Development.

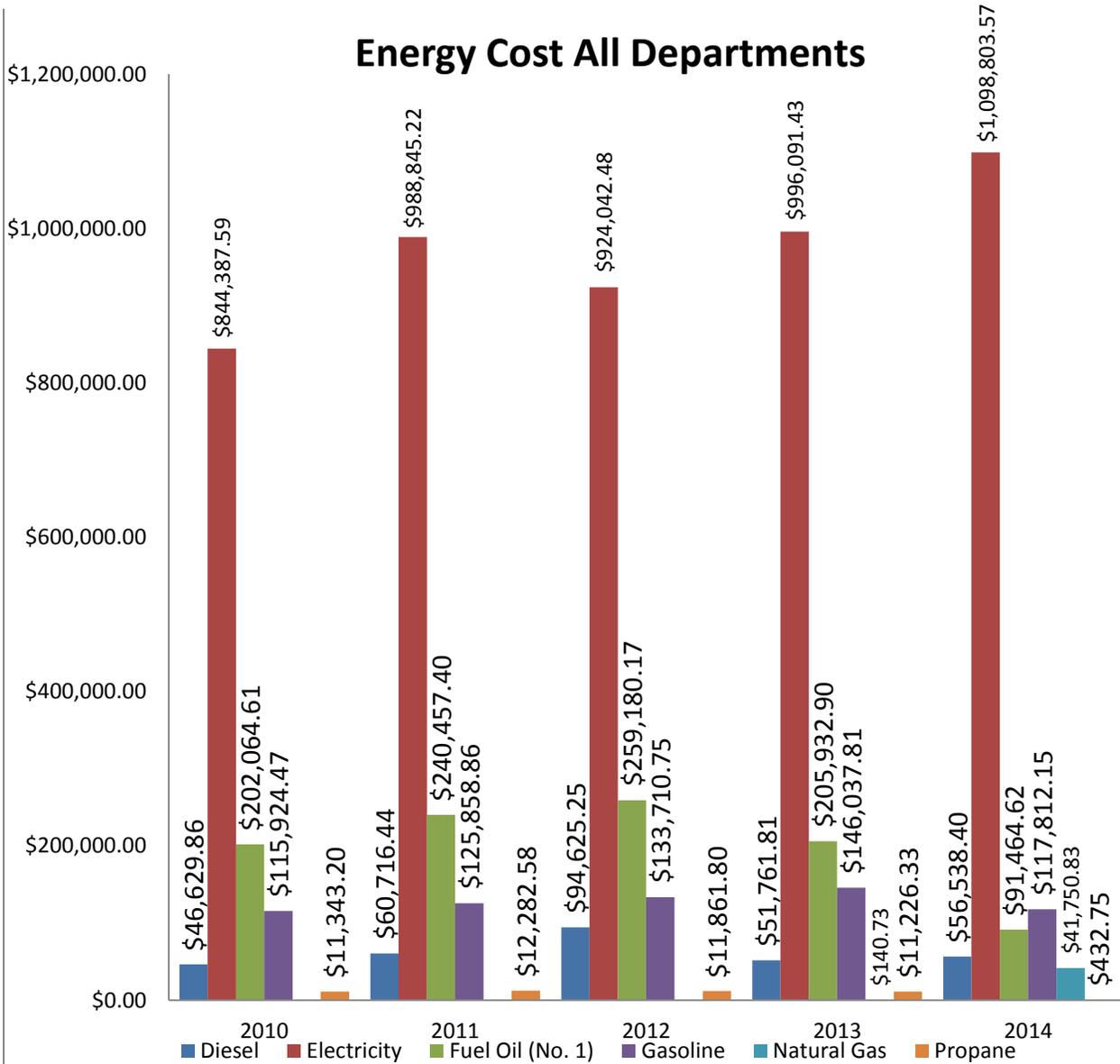


Charts & Graphs Continued...

HVFD Fire/FMS calls 2004-2014



Energy Cost All Departments



2014 Employment Application Stats

| <u>Department</u> | <u>Title</u> | <u>Closing Date</u> | <u># Positions</u> | <u># Applications</u> |
|-------------------|---------------------------------------|---------------------|--------------------|-----------------------|
| Police | Public Safety Dispatcher I | 02/09/2014 | 1 | 35 |
| Public Works | Permit Technician | 03/16/2014 | 1 | 20 |
| Port & Harbor | Parking Enforcement Aide | 04/13/2014 | 1 | 6 |
| Public Works | Camp Fee Collector | 04/13/2015 | 1 | 18 |
| Fire | Emergency Services Specialist | 04/13/2015 | 1 | 5 |
| Public Works | Maintenance Laborer | 04/13/2014 | 1 | 17 |
| Library | Library Technician | 04/13/2014 | 1 | 19 |
| Port & Harbor | Port Maintenance Technician | 04/13/2014 | 1 | 5 |
| Port & Harbor | Harbor Assistant I | 04/13/2014 | 1 | 15 |
| Port & Harbor | Fish Dock Maintenance Technician | 04/13/2015 | 1 | 5 |
| Public Works | Heavy Equipment Operator II | 04/13/2014 | 1 | 15 |
| Police | Community Jail Officer | 04/13/2014 | 1 | 16 |
| Public Works | Maintenance Tech I or II | 04/27/2014 | 1 | 19 |
| Public Works | Temporary Utilities Laborer | 04/27/2014 | 1 | 11 |
| Library | Library Aide | 06/11/2014 | 1 | 34 |
| Administration | Personnel Director | 06/15/2014 | 1 | 24 |
| Police | Public Safety Dispatcher I | 06/22/2014 | 1 | 31 |
| Police | Police Officer | 07/20/2014 | 1 | 20 |
| Public Works | Administrative Assistant | 07/27/2014 | 1 | 15 |
| Police | Public Safety Dispatcher I | 09/07/2014 | 1 | 20 |
| Public Works | Building Maintenance Technician I | 10/05/2014 | 1 | 8 |
| Public Works | Mechanic I or II | 10/05/2015 | 1 | 6 |
| Port & Harbor | Administrative Assistant | 10/19/2014 | 1 | 51 |
| Administration | City Manager | 01/27/2015 | 1 | 59 |
| Public Works | Water & Wastewater Treatment Lead Op. | 12/31/2014 | 1 | 20 |
| Public Works | Heavy Equipment Operator I or II | 12/16/2014 | 1 | 13 |

| <u>Department</u> | <u>Total Open Positions</u> | <u>Total Applications</u> |
|--------------------------|-----------------------------|---------------------------|
| Administration | 2 | 83 |
| Fire | 1 | 5 |
| Library | 2 | 53 |
| Police | 5 | 122 |
| Port & Harbor | 5 | 82 |
| Public Works | 11 | 162 |
| Total Positions: | 26 | |
| Total Applicants: | 507 | |

Capital Improvement Plan

The City of Homer's Capital Improvement Plan (CIP) is a 6 year guide for capital project expenditures. City Administration, department heads, advisory boards and commissions, City Council members, non-profit organizations, and the general public are all encouraged to provide suggestions for the CIP. The City Council was pleased to note that funding for the following projects from the 2014-2019 CIP had been identified or procured:

Funded Projects

Full Funding:

- Homer Harbor HH Float Improvements

Partial Funding:

- Harbor Sheet Pile Loading Dock
- Fire Department Equipment Upgrades: (Refurbish Fire Engine 4 and Tanker 2 Funded)
- East to West Transportation Corridor

State of Alaska Projects:

- Pioneer Avenue Upgrade
- Sterling Highway Reconstruction – Anchor Point to Baycrest Hill

Non-Profit Projects:

- Kachemak Bay Equestrian Association: Cottonwood Horse Park
- Haven House: Sustainability/Energy Efficiency Projects
- Homer Chamber of Commerce: Visitor Information Center Parking Lot
- Kenai Peninsula Borough: Homer High School Turf Field
- Kachemak Ski Club: Ohlson Mountain Rope Tow Safety Equipment Upgrades

2016 Legislative Priority List

- Water Storage/Distribution Improvements - \$3,510,000
- Public Safety Building - \$2,163,400
- Harbor Sheet Pile Loading Dock - \$955,00
- Fire Department Equipment Upgrades - \$1,012,500
- East to West Transportation Corridor - \$4,939,250



Aerial photo of the
Homer Harbor



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